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Rewald's firm full of CIA links, jury told

By CHARLES MEMMINGER
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Honolulu, Hawaii — Six of the seven members of Bishop, Baldwin, Rewald, Dillingham & Wong's executive board either had ties to the CIA or had been cleared by the agency, Ronald Rewald's lawyer told a Federal Court jury here last week.

Brian Tamanaha, deputy federal public defender, described Rewald as "a man who loves his country and believed in the CIA."

But the CIA abandoned Rewald when an Internal Revenue Service investigation began in late 1982, Tamanaha said, and the investigation eventually led to the collapse of Rewald's company in 1983.

That description of Rewald — a former Milwaukee businessman and a native of Milwaukee — conflicts with one given by Asst. US Atty. John Peyton, who in his opening statement said that Rewald was a man who had exploited his limited CIA ties to bilk investors of millions of dollars.

The jury will have to decide whether Rewald, charged with multiple fraud and perjury counts, was "the spy left out in the cold," in Tamanaha's words, or the architect of a sophisticated scheme to defraud

investors, as Peyton claimed.

Tamanaha said the lost money had been spent to create the image of a wealthy businessman so that Rewald could carry out his role for the CIA.

He succeeded "beyond the CIA's wildest expectations" when he established business and personal relationships with a Philippines banker and the sultan of Brunei, he said. Brunei is a tiny independent nation on the island of Borneo.

Rewald made his contacts initially through the Hawaii Polo Club, which the CIA had directed Rewald to do, Tamanaha said.

Rewald's relationship with the agency in Hawaii began in 1978 when he introduced himself to Eugene Welch, the CIA station chief, Tamanaha said. But his role grew steadily and soon his company, set up at the agency's request, was a haven for agents, Tamanaha said.

The company also provided cover for CIA agent Charles Richardson, who Tamanaha described as the chief of foreign intelligence resources for the West Coast. It was Richardson's boss, John Mason, who had Rewald sign a secrecy contract with the agency, Tamanaha said.

Another agent who worked in the Far East also was listed as a consultant for the investment firm. But because of national security, he will

be referred to during the trial only as "John Doe 14," Tamanaha said.